

# Walker Chandiook & Co LLP

Walker Chandiook & Co LLP  
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## Independent Auditor's Report

To the Members of Sinner Thermal Power Limited  
(formerly known as RattanIndia Nasik Power Limited)

## Report on the Audit of the Financial Statements

### Opinion

- 1) We have audited the accompanying financial statements of Sinner Thermal Power Limited (formerly known as RattanIndia Nasik Power Limited) ('the Company') which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
- 2) In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2020, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

- 3) We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

### Material Uncertainty Related to Going Concern

- 4) We draw attention to Note 44 to the financial statements which indicate that the Company has incurred a net loss amounting to Rs. 163,643.44 lakhs during the year ended 31 March 2020 and, as of that date, accumulated losses from operations amounted to Rs. 541,467.89 lakhs which has resulted in complete erosion of the net worth of the Company and its current liabilities exceed its current assets by Rs. 585,636.78 lakhs. The Company has also made defaults in repayment of borrowings from banks, including interest, by an amount aggregating to Rs. 477,909.03 lakhs up till 31 March 2020. These conditions along with other matters as set forth in such note, indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, in view of the ongoing discussions relating to restructuring of its borrowings and other debts with the lenders, better financial performance as a result of favourable business conditions expected in future and other mitigating factors mentioned in the aforesaid note, the management is of the view that going concern basis of accounting for Company is appropriate. Our opinion is not modified in respect of this matter.



**Emphasis of Matters**

- 5) We draw attention to Note 45 to the accompanying financial statements with respect to Capital work in progress (CWIP) aggregating to Rs. 43,737.00 lakh as at 31 March 2020 pertaining to construction of second 1350 MW power plant (Phase II) which is currently suspended. Based on expected revival of the project and other factors described in the aforesaid note, the management believes that no adjustment is required to the carrying value of the aforesaid balances. Our opinion is not modified in respect of this matter.

**Information other than the Financial Statements and Auditor's Report thereon**

- 6) The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

- 7) The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
- 8) In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
- 9) Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

- 10) Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material



## Walker Chandniok & Co LLP

if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

- 11) As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- 12) We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- 13) We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### Report on Other Legal and Regulatory Requirements

- 14) As required by section 197(16) of the Act, based on our audit, we report that the Company has not paid remuneration to its directors during the year.
- 15) As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 16) Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:



## Walker Chandiook & Co LLP

- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) the financial statements dealt with by this report are in agreement with the books of account;
- d) in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;
- e) the one matter described in paragraph 4 under the Material uncertainty related to Going concern section, in our opinion, may have an adverse effect on the functioning of the Company;
- f) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of section 164(2) of the Act;
- g) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 26 June 2020 as per Annexure B expressed unmodified opinion; and
- h) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - i) the Company, as detailed in note 29 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2020;
  - ii) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;
  - iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020; and
  - iv) the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

*Rohit Arora*

**Rohit Arora**  
Partner  
Membership No.: 504774  
UDIN: 20504774AAAADI4169



**Place:** New Delhi  
**Date:** 26 June 2020

## Walker Chandiok & Co LLP

### **Annexure A to the Independent Auditor's Report of even date to the members of Sinnar Thermal Power Limited (formerly RattanIndia Nasik Power Limited), on the financial statements for the year ended 31 March 2020**

#### **Annexure A**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.
- ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on the aforesaid verification.
- iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of investments and loans. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of guarantees and security.
- v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi) The maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act in respect of Company's operation sector. However, the Companies (Cost Records and Audit) Rules, 2014 ('the Rules') are not applicable to the Company for the year ended 31 March 2020 as the Company does not meet the turnover criteria as stated in Rule 3(A) of the Rules.
- vii) a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.



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### Annexure A to the Independent Auditor's Report of even date to the members of Sinnar Thermal Power Limited (formerly RattanIndia Nasik Power Limited), on the financial statements for the year ended 31 March 2020

- viii) There are no loans or borrowings payable to government and no dues payable to debenture-holders. The Company has defaulted in repayment of loans to the following banks and financial institutions:

Name of lender	0-3 months	3-12 months	More than 12 months	Total
<b>Banks</b>				
Axis Bank	1,239.58	3,718.73	7,437.44	<b>12,395.75</b>
Bank of India	1,469.50	4,408.50	8,817.00	<b>14,695.00</b>
Syndicate Bank	361.00	1,083.00	2,166.00	<b>3,610.00</b>
United Bank of India	628.20	1,884.60	3,769.20	<b>6,282.00</b>
<b>Financial institution</b>				
Life Insurance Corporation	525.90	1,577.69	2,886.56	<b>4,990.15</b>
Power Finance Corporation	4,374.45	13,123.36	24,010.73	<b>41,508.54</b>
Rural Electrification Corporation	4,870.13	14,610.39	29,220.79	<b>48,701.31</b>

- ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.
- x) No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.
- xi) The Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.
- xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.



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**Annexure A 2020 to the Independent Auditor's Report of even date to the members of Sinnar Thermal Power Limited (formerly RattanIndia Nasik Power Limited), on the financial statements for the year ended 31 March**

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013



**Rohit Arora**  
Partner  
Membership No.: 504774  
UDIN: 20504774AAAADI4169



Place: New Delhi  
Date: 26 June 2020

## Walker Chandiook &

**Annexure B to the Independent Auditor's Report of even date to the members of Sinnar Thermal Power Limited (formerly RattanIndia Nasik Power Limited) on the financial statements for the year ended 31 March 2020**

### **Annexure B**

#### **Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the financial statements of Sinnar Thermal Power Limited (formerly RattanIndia Nasik Power Limited) ('the Company') as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

#### **Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.





## Walker Chandiook & Co LLP

**Annexure B to the Independent Auditor's Report of even date to the members of Sinnar Thermal Power Limited (formerly RattanIndia Nasik Power Limited) on the financial statements for the year ended 31 March 2020**

### **Meaning of Internal Financial Controls with Reference to Financial Statements**

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For **Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

*Rohit Arora*

**Rohit Arora**  
Partner  
Membership No.: 504774  
UDIN: 20504774AAAADI4169



Place: New Delhi  
Date: 26 June 2020

**Sinnar Thermal Power Limited (formerly known as RattanIndia Nasik Power Limited)**  
**Balance sheet as at 31 March 2020**  
**(All amount in Rs. Lakhs, unless otherwise stated)**

	Note	As at 31 March 2020	As at 31 March 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	4A	712,281.94	730,755.65
(b) Capital work-in-progress		146,122.75	146,245.70
(c) Right of use	4B	8,281.85	-
(d) Intangible assets	5	2.58	5.61
(e) Financial assets			5,058.61
(i) Investments	6A	5,058.61	5,058.61
(ii) Loans	7	728.22	573.86
(iii) Other financial assets	8	141.75	167.47
(f) Non-current tax assets (net)	9	726.33	719.42
(g) Other non-current assets	10	121.26	978.01
		<b>873,465.29</b>	<b>893,504.33</b>
<b>Current assets</b>			
(a) Inventories	11	957.06	938.46
(b) Financial assets			43.58
(i) Investments	6B	166.07	68.25
(ii) Cash and cash equivalents	12	665.29	607.69
(iii) Other bank balances	13	417.20	607.69
(iv) Loans	7	180.21	203.60
(v) Other financial assets	8	23.52	809.59
(c) Other current assets	10	3,283.54	3,801.68
		<b>5,692.89</b>	<b>6,472.85</b>
		<b>879,158.18</b>	<b>899,977.18</b>
<b>TOTAL ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	14	3,197.72	3,197.72
(b) Other equity	15	(242,039.66)	(78,396.24)
		<b>(238,841.94)</b>	<b>(75,198.52)</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			577,101.82
(i) Borrowings	16	520,927.18	5,284.27
(ii) Other financial liabilities	17	5,516.41	227.70
(b) Provisions	18	226.86	582,613.79
		<b>526,670.45</b>	<b>582,613.79</b>
<b>Current liabilities</b>			
(a) Financial liabilities			5,556.87
(i) Borrowings	19	7,418.02	-
(ii) Trade payables	20	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		515.03	532.65
(iii) Other financial liabilities	17	583,302.48	386,426.25
(b) Other current liabilities	21	35.44	16.05
(c) Provisions	18	58.70	30.09
		<b>591,329.67</b>	<b>392,561.91</b>
		<b>879,158.18</b>	<b>899,977.18</b>
<b>TOTAL EQUITY AND LIABILITIES</b>			

Significant accounting policies and accompanying notes are integral part of the financial statements.

This is the balance sheet referred to in our report of even date.

Walker Chandok & Co LLP  
Chartered Accountants  
Firm Registration No.: 001076N/ N500013

For and on behalf of the Board of Directors

*Rohit Arora*  
**Rohit Arora**  
Partner  
Membership No.: 504774



*Sanjeev Chhikara*  
**Sanjeev Chhikara**  
Director  
DIN: 06966429

*Jeevagan Narayana Swami Nadar*  
**Jeevagan Narayana Swami Nadar**  
Director  
DIN: 02393291

*Sandeep Mittal*

**Sandeep Mittal**  
Chief Financial Officer

*Rahul Mutreja*

**Rahul Mutreja**  
Company Secretary



Place: New Delhi  
Date: 26 June 2020

**Sinnar Thermal Power Limited (formerly known as RattanIndia Nasik Power Limited)**  
**Statement of profit and loss for the year ended 31 March 2020**  
 (All amount in Rs. Lakhs, unless otherwise stated)

	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Revenue</b>			
Other income	22	90.90	2,105.42
<b>Total income</b>		<b>90.90</b>	<b>2,105.42</b>
<b>Expenses</b>			
Cost of fuel, water and power consumed	23	1,754.47	4,095.94
Employee benefits expense	24	548.10	628.11
Finance costs	25	139,960.84	122,947.96
Depreciation and amortisation expense	26	19,194.89	19,247.13
Other expenses	27	2,265.64	4,762.59
<b>Total expenses</b>		<b>163,723.94</b>	<b>151,681.73</b>
<b>Loss before exceptional items and tax</b>		<b>(163,633.04)</b>	<b>(149,576.31)</b>
Exceptional items (refer note 45)		-	31,726.60
<b>Loss before tax</b>		<b>(163,633.04)</b>	<b>(181,302.91)</b>
Less: Tax expense		-	-
<b>Loss for the year</b>		<b>(163,633.04)</b>	<b>(181,302.91)</b>
<b>Other comprehensive income</b>			
(a) Items that will not be reclassified to profit and loss			
(i) Re-measurement of post-employment benefit obligations		(10.40)	21.35
<b>Other comprehensive (loss)/ income for the year</b>		<b>(10.40)</b>	<b>21.35</b>
<b>Total comprehensive loss for the year</b>		<b>(163,643.44)</b>	<b>(181,281.56)</b>
<b>Loss per equity share (face value Rs.10)</b>	39		
Basic (Rs.)		(511.72)	(566.97)
Diluted (Rs.)		(511.72)	(566.97)

Significant accounting policies and accompanying notes are integral part of the financial statements.

This is the statement of profit and loss referred to in our report of even date.

**Walker Chandiook & Co LLP**  
 Chartered Accountants  
 Firm Registration No.: 001076N/ N500013

For and on behalf of the Board of Directors

*Rohit Arora*  
 Rohit Arora

Partner  
 Membership No. : 504774

Place: New Delhi  
 Date: 26 June 2020



*Sanjeev Chhikara*  
 Sanjeev Chhikara

Director  
 DIN: 06966429

*Jeevagan Narayana Swami Nadar*  
 Jeevagan Narayana Swami Nadar  
 Director  
 DIN: 02393291

*Sandeep Mittal*

Sandeep Mittal  
 Chief Financial Officer

*Rahul Mutreja*

Rahul Mutreja  
 Company Secretary



Sinnar Thermal Power Limited (formerly known as RattanIndia Nasik Power Limited)  
 Statement of changes in equity for the year ended 31 March 2020  
 (All amount in Rs. Lakhs, unless otherwise stated)

**A Equity share capital (refer note 14)**

Particulars	Balance as at 1 April 2018	Movement during the year	Balance as at 31 March 2019	Movement during the year	Balance as at 31 March 2020
Equity share capital	3,197.72	-	3,197.72	-	3,197.72

**B Other Equity (refer note 15)**

Particulars	Other equity			Total
	Reserves and surplus			
	Securities premium	Employee's stock options outstanding	Retained earning	
<b>Balance as at 1 April 2018</b>	299,423.83	4.27	(196,542.89)	102,885.21
Loss for the year	-	-	(181,302.91)	(181,302.91)
Other comprehensive income	-	-	21.35	21.35
Employee's stock options vested	-	0.11	-	0.11
<b>Balance as at 31 March 2019</b>	299,423.83	4.38	(377,824.45)	(78,396.24)
Loss for the year	-	-	(163,633.04)	(163,633.04)
Other comprehensive income	-	-	(10.40)	(10.40)
Employee's stock options vested	-	0.02	-	0.02
<b>Balance as at 31 March 2020</b>	299,423.83	4.40	(541,467.89)	(242,039.66)

Significant accounting policies and accompanying notes are integral part of the financial statements.

This is the statement of changes in equity referred to in our report of even date.

Walker Chandok & Co LLP  
 Chartered Accountants  
 Firm Registration No.: 001076N/ N500013

For and on behalf of the Board of Directors

*Rohit Arora*  
  
 Rohit Arora  
 Partner  
 Membership No.: 504774

*Sanjeev Chhikara*  
 Sanjeev Chhikara  
 Director  
 DIN: 06966429

*Jeevagan Narayana Swami Nadar*  
 Jeevagan Narayana Swami Nadar  
 Director  
 DIN: 02393291

*Sandeep Mittal*  
 Sandeep Mittal  
 Chief Financial Officer

*Rahul Mutreja*  
 Rahul Mutreja  
 Company Secretary

Place: New Delhi  
 Date: 26 June 2020



Sinnar Thermal Power Limited (formerly known as RattanIndia Nasik Power Limited)

Cash flow statement for the year ended 31 March 2020

(All amount in Rs. Lakhs, unless otherwise stated)

	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before tax	(163,633.04)	(181,302.91)
<b>Adjustments for:</b>		
Depreciation and amortisation expense	19,194.89	9,247.13
Interest income	(47.16)	(102.45)
Excess provision witten back	2.31	(230.02)
Dividend income	(36.81)	(9.20)
Finance costs	139,960.84	122,947.96
Net gain/ (loss) on foreign currency transactions and translation	849.59	(315.97)
Profit on sale of fixed assets	-	(11.71)
Loss on investment	-	9.61
Employee stock option	0.02	0.11
Provision for impairment of receivables	-	31,726.60
<b>Operating loss before working capital changes</b>	<b>(3,709.36)</b>	<b>(8,040.85)</b>
<b>Movement in working capital</b>		
(Increase)/ Decrease in inventories	(18.60)	185.65
Decrease/ (Increase) in other financial assets	(0.01)	(362.75)
Decrease in other assets	1,488.90	940.43
Increase in other financial liabilities	413.33	5,581.74
Increase/ (Decrease) in other liabilities	36.76	(35.78)
<b>Cash used in operating activities post working capital changes</b>	<b>(1,788.98)</b>	<b>(1,731.56)</b>
Income tax paid (net)	(6.91)	(12.67)
<b>Net cash used in operating activities (A)</b>	<b>(1,795.89)</b>	<b>(1,744.23)</b>
<b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipments (including capital work-in-progress)	-	(56.82)
Proceeds from sale/disposal of property, plant and equipments	122.75	13.00
Intercompany deposit made	(160.00)	(251.00)
Movement in mutual fund	(122.49)	246.89
Movement in fixed deposits (net)	216.21	105.11
Interest received	47.16	100.57
Dividend received	36.81	9.20
<b>Net cash generated from investing activities (B)</b>	<b>140.44</b>	<b>166.95</b>
<b>C CASH FLOWS FROM FINANCING ACTIVITIES *</b>		
Proceeds from long term borrowings	-	633.00
Proceeds from inter corpoarte deposit	2,647.25	691.50
Finance cost paid	(911.88)	(140.77)
<b>Net cash generated from financing activities (C)</b>	<b>1,735.37</b>	<b>1,183.73</b>



**Sinnar Thermal Power Limited (formerly known as RattanIndia Nasik Power Limited)**  
**Cash flow statement for the year ended 31 March 2020**  
 (All amount in Rs. Lakhs, unless otherwise stated)

<b>Increase/ (Decrease) in cash and cash equivalents (A+B+C)</b>	79.92	(393.55)
Cash and cash equivalents at the beginning of the year	68.25	461.80
<b>Cash and cash equivalents at the end of the year</b>	<b>148.17</b>	<b>68.25</b>

**\*Reconciliation of liabilities arising from financing activities (refer note no 47)**

**Reconciliation of cash and cash equivalents**

Cash and cash equivalents as per note 12	665.29	68.25
Less: Book overdraft as per note 17	517.12	-
	<b>148.17</b>	<b>68.25</b>

Significant accounting policies and accompanying notes are integral part of the financial statements.

This is the cash flow statement referred to in our report of even date.

**Walker Chandiok & Co LLP**  
 Chartered Accountants  
 Firm Registration No.: 001076N/ N500013

For and on behalf of the Board of Directors

*Rohit Arora*  
**Rohit Arora**

Partner  
 Membership No. : 504774

Place: New Delhi  
 Date: 26 June 2020



*Sanjeev Chhikara*  
**Sanjeev Chhikara**

Director  
 DIN: 06966429

*Jeevagan Narayana Swami Nadar*  
**Jeevagan Narayana Swami Nadar**

Director  
 DIN: 02393291

*Sandeep Mittal*

**Sandeep Mittal**  
 Chief Financial Officer

*Rahul Mutreja*

**Rahul Mutreja**  
 Company Secretary



**Sinnar Thermal Power Limited (formerly known as RattanIndia Nasik Limited)**  
**Significant accounting policies and notes to the financial statements for the year ended 31 March 2020**  
**(All amount in Rs. Lakhs, unless otherwise stated)**

**1. Corporate Information**

**Nature of Operations**

Sinnar Thermal Power Limited (formerly known as RattanIndia Nasik Limited) (“the Company”, “STPL”) is principally engaged in the business of dealing in power generation, distribution, trading and transmission and other ancillary and incidental activities.

**General information and statement of compliance with Ind AS**

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards as notified under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules 2015 (by Ministry of Corporate Affairs (“MCA”)). The Company has uniformly applied the accounting policies during the periods presented.

The financial statements for the year ended 31 March 2020 were approved by the Board of Directors on 26 June 2020.

**2. Recent Indian Accounting Standards (Ind AS)**

Ministry of Company Affairs (“MCA”) notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 01 April 2020.

**3. Summary of significant accounting policies**

**a) Overall consideration**

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These were used throughout all periods presented in the financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

**Basis of preparation**

The financial statements have been prepared on going concern basis under the historical cost basis except for the following –

- Certain financial assets and liabilities which are measured at fair value;
- Defined benefit plans – liability of which is recognised as per actuarial valuation; and
- Share based payments which are measured at fair value of the options

**b) Revenue recognition**

Revenue arises from the supply of power. Revenue is recognised when it is probable that the economic benefits will flow to the Company and it can be reliably measured. Revenue is measured at the fair value of the consideration received/receivable net of rebates and taxes. The Company applies the revenue recognition criteria to each separately identifiable component of the sales transaction as set out below.

*Service income*

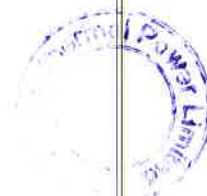
Revenue from Power Consultancy/ Advisory Services is recognised when services are rendered.

*Interest income*

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

*Dividend income*

Dividend income is recognised at the time when right to receive the payment is established, which is generally when the shareholders approve the dividend.



**Sinnar Thermal Power Limited (formerly known as RattanIndia Nasik Limited)**

**Significant accounting policies and notes to the financial statements for the year ended 31 March 2020**

**(All amount in Rs. Lakhs, unless otherwise stated)**

**c) Borrowing costs**

Borrowing costs include interest and amortisation of ancillary costs incurred to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction/ development of the qualifying asset up to the date of capitalisation of such asset are added to the cost of the assets. Any income earned on the temporary deployment/ investment of those borrowings is deducted from the borrowing costs so incurred. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use.

**d) Property, plant and equipment**

*Recognition and initial measurement*

Properties, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

*Subsequent measurement (depreciation and useful lives)*

Depreciation on property, plant and equipment is provided on the straight-line method, computed on the basis of useful lives prescribed in Schedule II to the Companies Act, 2013:

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

*De-recognition*

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

**e) Intangible assets**

*Recognition and initial measurement*

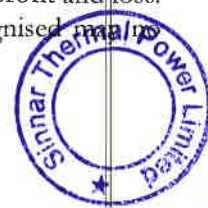
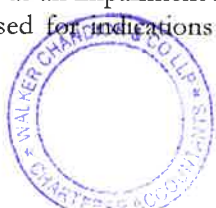
Intangible assets are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

*Subsequent measurement (amortisation)*

The cost of capitalized software is amortized over a period in the range of three to five years from the date of its acquisition.

**f) Impairment of non-financial assets**

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. All assets are subsequently reassessed for indications that an impairment loss previously recognised may be





**Sinnar Thermal Power Limited (formerly known as RattanIndia Nasik Limited)**  
**Significant accounting policies and notes to the financial statements for the year ended 31 March 2020**  
**(All amount in Rs. Lakhs, unless otherwise stated)**

longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

**g) Financial instruments**

*Initial recognition and measurement*

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, unless the financial instrument is designated to be measured at fair value through profit or loss or fair value through other comprehensive income.

**Financial assets**

*Subsequent measurement*

**Financial assets at amortised cost** – The financial assets are measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. All other debt instruments are measured at Fair Value through other comprehensive income or Fair value through profit and loss based on Company's business model. All investments in mutual funds in scope of Ind AS 109 are measured at fair value through profit and loss (FVTPL).

*De-recognition of financial assets*

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

**Financial liabilities**

*Subsequent measurement*

Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method. These liabilities include borrowings and deposits.

*De-recognition of financial liabilities*

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

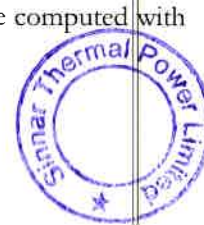
**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**h) Investments in subsidiaries, joint ventures and associates**

The Company has accounted for its subsidiaries and associates, joint ventures at cost in its financial statements in accordance with Ind AS 27, Separate Financial Statements.

Profit/ loss on sale of investments are recognised on the date of the transaction of sale and are computed with reference to the original cost of the investment sold.



**Sinnar Thermal Power Limited (formerly known as RattanIndia Nasik Limited)**

**Significant accounting policies and notes to the financial statements for the year ended 31 March 2020**

**(All amount in Rs. Lakhs, unless otherwise stated)**

**i) Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets carried at amortised cost.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive. When estimating the cash flows, the Company consider –

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

*Other financial assets*

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, life time impairment loss is provided otherwise provides for 12 month expected credit losses.

**j) Inventories**

Inventories are valued at the lower of cost derived on weighted average basis and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of consumption, including octroi and other levies, transit insurance and receiving charges.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated necessary costs to make the sale.

**k) Income taxes**

Tax expense recognised in statement of profit and loss comprises the sum of deferred tax and current tax not recognised in OCI or directly in equity.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Current income tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss in OCI or equity depending upon the treatment of underlying item.

Deferred income taxes are calculated using the liability method. Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss in OCI or equity depending upon the treatment of underlying item.



**Sinnar Thermal Power Limited (formerly known as RattanIndia Nasik Limited)**  
**Significant accounting policies and notes to the financial statements for the year ended 31 March 2020**  
**(All amount in Rs. Lakhs, unless otherwise stated)**

**l) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, demand deposits with banks/corporations and short-term highly liquid investments (original maturity less than 3 months) that are readily convertible into known amount of cash and are subject to an insignificant risk of change in value.

**m) Post-employment, long term and short term employee benefits**

*Defined contribution plans*

The Company makes contribution to the statutory provident fund in accordance with the Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is a defined contribution plan and contribution paid or payable is recognised as an expense in the period in which the services are rendered.

*Defined benefit plans*

Gratuity is post-employment benefit and is in the nature of a defined benefit plan. The liability recognised in the financial statements in respect of gratuity is the present value of the defined benefit obligation at the reporting date together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit obligation is calculated at or near the reporting date by an independent actuary using the projected unit credit actuarial method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the statement of OCI in the year in which such gains or losses are determined.

*Other long-term employee benefits*

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to statement of profit and loss in the year in which such gains or losses are determined.

*Short-term employee benefits*

Expense in respect of other short term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

**n) Provisions, contingent assets and contingent liabilities**

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised. However, when inflow of economic benefit is probable, related asset is disclosed.



**Sinnar Thermal Power Limited (formerly known as RattanIndia Nasik Limited)**  
**Significant accounting policies and notes to the financial statements for the year ended 31 March 2020**  
**(All amount in Rs. Lakhs, unless otherwise stated)**

**o) Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**p) Lease**

**Adoption of Ind AS 116 Lease**

Ind AS 116 supersedes Ind AS 17 Lease including evaluating the substance of transactions involving the legal form of a Lease. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

Lessor accounting under Ind AS 116 is substantially unchanged under Ind AS 17. Lessor will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 did not have an impact for leases where the Company is the lessor.

The Company currently does not have any material lease contracts where the Company is a lessee and hence the aforesaid amendment does not have any material impact on the Company's financial Statements.

**q) Significant management judgement in applying accounting policies and estimation uncertainty**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures.

*Significant management judgements*

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

**Recognition of deferred tax assets** – The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties under the relevant tax jurisdiction (see note 33).

**Evaluation of indicators for impairment of assets** – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

**Recoverability of advances/receivables** – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

**Defined benefit obligation (DBO)** – Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

**Fair value measurements** – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management



**Sinnar Thermal Power Limited (formerly known as RattanIndia Nasik Limited)**

**Significant accounting policies and notes to the financial statements for the year ended 31 March 2020**

**(All amount in Rs. Lakhs, unless otherwise stated)**

uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

**Provisions** – At each balance sheet date on the basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions. However the actual future outcome may be different from this judgement.

*Significant estimates*

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be different.

**Taxes**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**Useful lives of depreciable/ amortisable assets**

Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, customer relationships, IT equipment and other plant and equipment.



Sinnar Thermal Power Limited (formerly known as RattanIndia Nasik Power Limited)  
 Significant accounting policies and notes to the financial statements for the year ended 31 March 2020  
 (All amount in Rs. Lakhs, unless otherwise stated)

4A. Property, plant and equipment										
Particulars	Leasehold Land	Buildings Plant	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computers	Tools & tackles	Railway sidings	Total
<b>Gross carrying amount</b>										
Balance as at 1 April 2018	9,201.83	18,852.38	764,231.87	214.22	558.58	120.76	65.51	4.03	118.32	793,367.50
Additions	-	-	-	-	138.62	-	-	-	-	-
Disposals/adjustments	-	-	-	-	-	-	-	-	-	138.62
<b>Balance as at 31 March 2019</b>	<b>9,201.83</b>	<b>18,852.38</b>	<b>764,231.87</b>	<b>214.22</b>	<b>419.96</b>	<b>120.76</b>	<b>65.51</b>	<b>4.03</b>	<b>118.32</b>	<b>793,228.88</b>
Additions	-	-	-	-	-	-	-	-	-	-
Adjustment - reclassified to right of use	9,201.83	-	-	-	-	-	-	-	-	-
Disposals/adjustments	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2020</b>	<b>-</b>	<b>18,852.38</b>	<b>764,231.87</b>	<b>214.22</b>	<b>419.96</b>	<b>120.76</b>	<b>65.51</b>	<b>4.03</b>	<b>118.32</b>	<b>784,027.05</b>
<b>Accumulated depreciation</b>										
Balance as at 1 April 2018	715.50	1,945.03	30,931.92	139.42	444.70	107.20	65.37	3.56	14.63	34,367.33
Charge for the year	102.24	948.81	18,089.31	20.91	65.35	8.28	0.14	0.30	7.89	19,243.23
Disposals/adjustments	-	-	-	-	137.33	-	-	-	-	137.33
<b>Balance as at 31 March 2019</b>	<b>817.74</b>	<b>2,893.84</b>	<b>49,021.23</b>	<b>160.33</b>	<b>372.72</b>	<b>115.48</b>	<b>65.51</b>	<b>3.86</b>	<b>22.52</b>	<b>53,473.23</b>
Charge for the year	-	956.71	18,080.93	20.71	19.65	3.56	-	0.17	7.89	19,089.62
Adjustment - reclassified to right of use	817.74	-	-	-	-	-	-	-	-	817.74
Disposals/adjustments	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2020</b>	<b>-</b>	<b>3,850.55</b>	<b>67,102.16</b>	<b>181.04</b>	<b>392.37</b>	<b>119.04</b>	<b>65.51</b>	<b>4.03</b>	<b>30.41</b>	<b>71,745.11</b>
<b>Net carrying amount</b>										
Balance as at 31 March 2019	8,384.09	15,958.54	715,210.64	53.89	47.24	5.28	-	0.17	95.80	739,755.65
Balance as at 31 March 2020	-	15,001.83	697,129.71	33.18	27.59	1.72	-	-	87.91	712,281.94

(i) Term loans are secured by first mortgage and charge on all immovable and movable assets, both present and future, of the Nashik project phase-I. (refer note 16 and note 37)



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Sinnar Thermal Power Limited (formerly known as RattanIndia Nasik Power Limited)  
 Significant accounting policies and notes to the financial statements for the year ended 31 March 2020  
 (All amount in Rs. Lakhs, unless otherwise stated)

4B. Right of use

Particulars	Right of use	Total
<b>Gross carrying amount</b>		
Balance as at 1 April 2018	-	-
Additions	-	-
Disposals/adjustments	-	-
<b>Balance as at 31 March 2019</b>		
Additions	-	-
Additions - reclassified from property, plant & equipment	9,201.83	9,201.83
Disposals/adjustments	-	-
<b>Balance as at 31 March 2020</b>	<b>9,201.83</b>	<b>9,201.83</b>
<b>Accumulated depreciation</b>		
Balance as at 1 April 2018	-	-
Charge for the year	-	-
Disposals/adjustments	-	-
<b>Balance as at 31 March 2019</b>		
Additions - reclassified from property, plant & equipment	817.74	817.74
Charge for the year	102.24	102.24
Disposals/adjustments	-	-
<b>Balance as at 31 March 2020</b>	<b>919.98</b>	<b>919.98</b>
<b>Net carrying amount</b>		
Balance as at 31 March 2019	-	-
Balance as at 31 March 2020	8,281.85	8,281.85

(i) The Company has applied Ind AS 116 "Lease" from 01 April 2019. On adoption of Ind AS 116, the Company has recognised "Right of use" assets amounting to Rs. 8,384.09 lakhs.



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Sinnar Thermal Power Limited (formerly known as RattanIndia Nasik Power Limited)  
 Significant accounting policies and notes to the financial statements for the year ended 31 March 2020  
 (All amount in Rs. Lakhs, unless otherwise stated)

5. Intangible assets

Particulars	Software	Total
<b>Gross carrying amount</b>		
Balance as at 1 April 2018	240.18	240.18
Additions	-	-
Disposals/adjustments	-	-
<b>Balance as at 31 March 2019</b>	<b>240.18</b>	<b>240.18</b>
Additions	-	-
Disposals/adjustments	-	-
<b>Balance as at 31 March 2020</b>	<b>240.18</b>	<b>240.18</b>
<b>Accumulated depreciation</b>		
Balance as at 1 April 2018	230.67	230.67
Additions	3.90	3.90
Disposals/adjustments	-	-
<b>Balance as at 31 March 2019</b>	<b>234.57</b>	<b>234.57</b>
Charge for the year	3.03	3.03
Disposals/adjustments	-	-
<b>Balance as at 31 March 2020</b>	<b>237.60</b>	<b>237.60</b>
<b>Net carrying amount</b>		
Balance as at 31 March 2019	5.61	5.61
Balance as at 31 March 2020	2.58	2.58

(i) Term loans are secured by first mortgage and charge on all immovable and movable assets, both present and future, of the nashik project phase-I. (refer note 16 and note 37)

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**Sinnar Thermal Power Limited (formerly known as RattanIndia Nasik Power Limited)**  
**Significant accounting policies and notes to the financial statements for the year ended 31 March 2020**  
**(All amount in Rs. Lakhs, unless otherwise stated)**

	31 March 2020		31 March 2019	
	No. of shares	Amounts	No. of shares	Amounts
<b>6A. Non-current investments</b>				
(a) Investments in non-trade equity instruments				
Unquoted, in fully paid equity instruments of subsidiary companies (at cost)				
Sinnar Power Transmission Company Limited	920,010	5,058.61	920,010	5,058.61
<b>Investments in equity instruments</b>		<b>5,058.61</b>		<b>5,058.61</b>
Aggregate amount of quoted investments and market value thereof		-		-
Aggregate amount of unquoted investments		5,058.61		5,058.61
Aggregate amount of impairment in the value of investments		-		-

	31 March 2020		31 March 2019	
	<b>6B. Current investments</b>			
Unquoted, non trade (at FVTPL)				
Investments in mutual funds				
		166.07		43.58
		<b>166.07</b>		<b>43.58</b>
Aggregate amount of quoted investments and market value thereof		-		-
Aggregate amount of unquoted investments		166.07		43.58
Aggregate amount of impairment in the value of investments		-		-

	31 March 2020		31 March 2019	
	Non-current	Current	Non-current	Current
<b>7. Loans (unsecured, considered good)</b>				
Security deposits:				
Premises	0.48	6.12	121.13	124.72
Others	316.74	316.74	57.81	77.16
Loans to:				
Employees	-	-	1.27	1.72
Inter corporate deposits	411.00	251.00	-	-
Credit impaired	728.22	573.86	180.21	203.60
	<b>728.22</b>	<b>573.86</b>	<b>180.21</b>	<b>203.60</b>

	31 March 2020		31 March 2019	
	Non-current	Current	Non-current	Current
<b>8. Other financial assets</b>				
Bank deposits with more than 12 months maturity (i)	141.75	167.47	-	-
Advances recoverable				
Others	-	-	23.52	23.51
Related parties	-	-	-	786.08
	<b>141.75</b>	<b>167.47</b>	<b>23.52</b>	<b>809.59</b>

(i) Pledged against bank guarantees and letter of credit, refer note 28B(1)

	31 March 2020	31 March 2019
<b>9. Non-current tax assets (net)</b>		
Advance income tax/ tax deducted at source (net of provision)	726.33	719.42
	<b>726.33</b>	<b>719.42</b>

	31 March 2020		31 March 2019	
	Non-current	Current	Non-current	Current
<b>10. Other assets (unsecured, considered good)</b>				
Capital advances	114.46	115.59	-	-
Other advances	-	-	2,789.19	3,689.94
Prepaid expenses	6.62	638.38	494.35	111.74
Balances with statutory authorities	0.18	224.04	-	-
	<b>121.26</b>	<b>978.01</b>	<b>3,283.54</b>	<b>3,801.68</b>



**Sinnar Thermal Power Limited (formerly known as RattanIndia Nasik Power Limited)**  
**Significant accounting policies and notes to the financial statements for the year ended 31 March 2020**  
**(All amount in Rs. Lakhs, unless otherwise stated)**

**11. Inventories (valued at cost, unless otherwise stated)**

Coal - stores  
 Light diesel oil - stores  
 Stores and spares  
 Other consumables

	31 March 2020	31 March 2019
Coal - stores	854.91	853.37
Light diesel oil - stores	68.58	61.06
Stores and spares	33.27	23.73
Other consumables	0.30	0.30
	<b>957.06</b>	<b>938.46</b>

**12. Cash and cash equivalents**

Cash on hand  
 Balances with banks  
     Current accounts  
     Deposits with original maturity of less than 3 months (i)

	31 March 2020	31 March 2019
Cash on hand	2.11	2.06
Balances with banks		
Current accounts	87.75	65.69
Deposits with original maturity of less than 3 months (i)	575.43	0.50
	<b>665.29</b>	<b>68.25</b>

(i) Pledged against bank guarantees and letter of credit, refer note 28B(1)

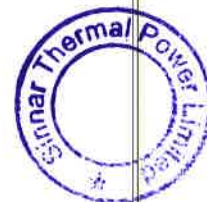
**13. Other bank balances**

Fixed deposits original maturity for more than 3 months but less than 12 months (i)

	31 March 2020	31 March 2019
Fixed deposits original maturity for more than 3 months but less than 12 months (i)	417.20	607.69
	<b>417.20</b>	<b>607.69</b>

(i) Pledged against bank guarantees and letter of credit, refer note 28B(1)

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**Sinnar Thermal Power Limited (formerly known as RattanIndia Nasik Power Limited)**  
**Significant accounting policies and notes to the financial statements for the year ended 31 March 2020**  
**(All amount in Rs. Lakhs, unless otherwise stated)**

	31 March 2020	31 March 2019
<b>14. Equity share capital</b>		
<b>Authorised capital</b>		
65,300,000 (31 March 2019: 65,300,000) equity shares of Rs. 10 each	6,530.00	6,530.00
	<b>6,530.00</b>	<b>6,530.00</b>
<b>Issued, subscribed and fully paid up capital</b>		
31,977,246 (31 March 2019: 31,977,246) equity shares of of Rs. 10 each fully paid up	3,197.72	3,197.72
	<b>3,197.72</b>	<b>3,197.72</b>

**a) Reconciliation of equity shares outstanding at the beginning and at the end of the year.**

	31 March 2020		31 March 2019	
	No of shares	Amounts	No of shares	Amounts
Equity shares at the beginning of the year	31,977,246	3,197.72	31,977,246	3,197.72
Add : Issued during the year	-	-	-	-
<b>Equity shares at the end of the year</b>	<b>31,977,246</b>	<b>3,197.72</b>	<b>31,977,246</b>	<b>3,197.72</b>

**b) Rights/restrictions attached to equity shares**

The Company has only one class of equity shares with voting rights, having a par value of Rs 10 per share. Each shareholder of equity shares is entitled to one vote per share held. Each share is entitled to dividend, if declared, in Indian rupees. The dividend, if any, proposed by Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in the case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c) Shares held by Holding Company**

**RattanIndia Power Limited**

	31 March 2020	31 March 2019
31,977,246 (31 March 2019: 31,977,246) equity shares of Rs. 10 each fully paid up	3,197.72	3,197.72

**d) Details of shareholders holding more than 5% shares in the company**

	As at 31 March 2020		As at 31 March 2019	
	No of shares	% Holding	No of shares	% Holding
<b>Equity shares of Rs. 10 each fully paid up</b>				
RattanIndia Power Limited and its nominees	31,977,246	100%	31,977,246	100%

e) No bonus shares or shares issued for consideration other than cash or shares bought back over the last five years immediately preceding the reporting date.

**15. Other equity**

**Retained earnings**

	31 March 2020	31 March 2019
Opening balance	(377,824.45)	(196,542.89)
Add : Net loss for the year	(377,824.45)	(196,542.89)
Items of other comprehensive income recognised directly in retained earnings	(163,633.04)	(181,302.91)
Re-measurements of post-employment benefit obligation, net of tax	(10.40)	21.35
<b>Closing balance</b>	<b>(541,467.89)</b>	<b>(377,824.45)</b>

**Securities premium**

Opening balance	299,423.83	299,423.83
Add: Addition during the year	-	-
<b>Closing balance</b>	<b>299,423.83</b>	<b>299,423.83</b>

**Employee's stock options outstanding**

Opening balance	4.38	4.27
Employee's stock options vested	0.02	0.11
<b>Closing balance</b>	<b>4.40</b>	<b>4.38</b>
	<b>(242,039.66)</b>	<b>(78,396.24)</b>

**Nature and purpose of other reserves**

**Securities premium**

Securities premium represents premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

**Employee's stock options reserve**

The reserve account is used to recognise the grant date value of options issued to employees under Parent Company Employee stock option plan.



**Sinnar Thermal Power Limited (formerly known as RattanIndia Nasik Power Limited)**  
**Significant accounting policies and notes to the financial statements for the year ended 31 March 2020**  
**(All amount in Rs. Lakhs, unless otherwise stated)**

**16. Borrowings**

	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	Non-current		Current	
<b>Secured</b>				
<b>Term loans</b>				
From consortium of banks	89,381.29	103,747.31	51,469.04	36,685.52
From consortium of financial institutions	431,545.89	473,354.51	137,098.85	95,061.16
	<b>520,927.18</b>	<b>577,101.82</b>	<b>188,567.89</b>	<b>131,746.68</b>

(i) Loans from consortium of banks aggregating to Rs. 140,850.33 Lakhs (31 March 2019: Rs. 140,432.83 Lakhs) and from financial institutions aggregating to Rs. 568,644.74 Lakhs (31 March 2019: Rs. 568,415.67 Lakhs) are secured by way of first mortgage and charge on all immovable and movable assets, both present and future, of the Nashik project phase 1. The aforesaid phase 1 loans are further secured by pledge of 20,864,880 (31 March 2019: 20,864,880) equity shares of the Company as per underwritten and consolidated facility agreement dated 21 November 2016 stipulated requirement of pledge of 77% of the equity share capital of the Company and the cost-overrun 2 of the phase 1 loans are secured by pledge of 5,574,105 (31 March 2019: 5,574,105) equity shares of the company through execution of a pledge agreement with RattanIndia Power Limited (RPL), the Holding Company. Also, the bank guarantee facility availed by the Company are secured by pledge of 658,261 (31 March 2019: 658,261) equity shares of the Company in favor of Axis Bank Limited. Further subject to approval from the competent authority of the Lenders, the Lenders have agreed to release the obligations of the Pledgor (RPL) under the Nasik Additional Security Documents in consideration of the Pledgor inter alia pledging the 4,880,000 (31 March 2019: 4,880,000) equity shares of the Company in terms of share pledge agreement dated 18 January 2019, in addition to the Existing Pledged Shares, in favour of the the Security Trustee for the benefit of the lenders, such that 100% of the equity share capital of the Company is pledged as security for the due repayment of the Secured Obligations.

(ii) Term loan from consortium of banks and financial institutions are repayable in quarterly installments as follows:

Financial year	31 March 2020*			31 March 2019*		
	Financial institutions	Banks	Total	Financial institutions	Banks	Total
2019-20	-	-	-	39,029.18	14,793.10	53,822.28
2020-21	41,906.14	14,793.10	56,699.24	41,853.39	14,793.10	56,646.49
2021-22	44,696.73	14,793.10	59,489.83	44,643.98	14,793.10	59,437.08
2022-23	48,630.46	14,793.10	63,423.56	48,577.71	14,793.10	63,370.81
2023-24	41,898.74	14,793.10	56,691.84	41,845.99	14,793.10	56,639.09
2024-25	41,898.74	14,793.10	56,691.84	41,845.99	14,793.10	56,639.09
2025-26	41,898.74	14,793.10	56,691.84	41,845.99	14,793.10	56,639.09
2026-27	41,898.74	14,793.10	56,691.84	41,845.99	14,793.10	56,639.09
2027-28	41,898.74	1,332.00	43,230.74	41,845.99	7,396.55	49,242.54
2028-29	41,898.74	-	41,898.74	41,845.99	-	41,845.99
2029-30	32,158.48	-	32,158.48	32,132.11	-	32,132.11
2030-31	22,418.22	-	22,418.22	22,418.22	-	22,418.22
2031-32	22,418.22	-	22,418.22	22,418.22	-	22,418.22
2032-33	11,161.70	-	11,161.70	11,794.70	-	11,794.70
	<b>474,782.43</b>	<b>104,883.70</b>	<b>579,666.13</b>	<b>513,943.48</b>	<b>125,741.35</b>	<b>639,684.83</b>

\* The above schedule is based on sanction letters without considering the impact of defaults made by the Company.

(iii) The above mentioned loans from consortium of banks and financial institutions carry floating rates of interest ranging from 12.85% p.a. to 15.15% p.a. (31 March 2019: 12.85% p.a. to 15.15% p.a.).

(iv) The company has defaulted in repayment of principal and interest in respect of loans from bank and financial institutions as mentioned below:

	0-3 Months	3-12 Months	More than 12 Months	Total
<b>Consortium financial institution</b>				
Principal	9,770.48	29,311.44	56,118.08	95,200.00
Interest	20,152.28	50,639.98	210,368.83	281,161.09
<b>Total</b>	<b>29,922.76</b>	<b>79,951.42</b>	<b>266,486.91</b>	<b>376,361.09</b>
<b>Consortium banks</b>				
Principal	3,698.28	11,094.83	22,189.64	36,982.75
Interest	3,806.35	20,346.00	40,412.84	64,565.19
<b>Total</b>	<b>7,504.63</b>	<b>31,440.83</b>	<b>62,602.48</b>	<b>101,547.94</b>



Sinnar Thermal Power Limited (formerly known as RattanIndia Nasik Power Limited)  
 Significant accounting policies and notes to the financial statements for the year ended 31 March 2020  
 (All amount in Rs. Lakhs, unless otherwise stated)

17. Other financial liabilities

	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	Non-current		Current	
Retention money	5,409.33	5,177.19	22,149.16	21,535.61
Finance lease obligations	107.08	107.08	-	-
Current maturities of				
Term loan from consortium of banks	-	-	51,469.04	36,685.52
Term loan from consortium of financial institutions	-	-	137,098.85	95,061.16
Interest accrued but not due - term loans	-	-	11,488.13	13,908.66
Interest accrued and due - term loans	-	-	345,726.28	204,903.36
Security deposit from customers	-	-	32.29	32.29
Earnest money deposit payable	-	-	6.00	3.00
Expenses payable	-	-	14,696.33	14,283.69
Payables on purchase of property, plant and equipment	-	-	119.28	12.96
Temporary overdrawn balances	-	-	517.12	-
	<b>5,516.41</b>	<b>5,284.27</b>	<b>583,302.48</b>	<b>386,426.25</b>

18. Provisions

	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	Non-current		Current	
Provision for employee benefits (refer note 31)				
Provision for compensated absences	105.48	113.14	8.82	3.47
Provision for gratuity	121.38	114.56	49.88	26.62
	<b>226.86</b>	<b>227.70</b>	<b>58.70</b>	<b>30.09</b>

19. Borrowings (short-term)

Unsecured

Loans from related party - inter corporate deposits (i)

	31 March 2020	31 March 2019
	7,418.02	5,556.87
	<b>7,418.02</b>	<b>5,556.87</b>

(i) There were no continuing defaults in repayment of inter corporate deposits from related parties as at 31 March 2020 and 31 March 2019.

20. Trade payables

Total outstanding dues of micro enterprises and small enterprises (refer note 48)

Total outstanding dues of creditors other than micro enterprises and small enterprises

	31 March 2020	31 March 2019
	-	-
	515.03	532.65
	<b>515.03</b>	<b>532.65</b>

21. Other current liabilities

Statutory dues

	31 March 2020	31 March 2019
	35.44	16.05
	<b>35.44</b>	<b>16.05</b>

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**Sinnar Thermal Power Limited (formerly known as RattanIndia Nasik Power Limited)**  
**Significant accounting policies and notes to the financial statements for the year ended 31 March 2020**  
**(All amount in Rs. Lakhs, unless otherwise stated)**

**22. Other income**

**Income from current investments**

Profit on sale of mutual fund  
 Dividend income from mutual fund

**Interest on**

Bank deposits  
 Income tax/ VAT refund  
 Security deposits

**Other income**

Profit on sale of fixed assets  
 Gain on foreign currency transactions and translation (net)  
 Sale of light diesel oil  
 Liabilities written back  
 Miscellaneous income

	31 March 2020	31 March 2019
	36.81	0.79
	-	8.41
	<b>36.81</b>	<b>9.20</b>
	43.56	53.89
	2.15	29.69
	3.60	48.56
	<b>49.31</b>	<b>132.14</b>
	-	11.71
	-	315.97
	-	193.00
	-	244.83
	4.78	1,198.57
	<b>4.78</b>	<b>1,964.08</b>
	<b>90.90</b>	<b>2,105.42</b>

**Transaction price - remaining performance obligation**

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts as the revenue recognised corresponds directly with the value to the customer of the entity's performance completed till the reporting period.

**23. Cost of fuel, water and power consumed**

Electricity consumed  
 Coal consumed  
 Consumable consumed  
 Water consumed

	31 March 2020	31 March 2019
	1,457.32	858.64
	-	136.33
	0.06	2.62
	297.09	3,098.35
	<b>1,754.47</b>	<b>4,095.94</b>

**24. Employee benefits expense**

Salaries and wages  
 Contribution to provident and other funds  
 Provision for gratuity  
 Staff welfare expenses

	31 March 2020	31 March 2019
	521.97	586.99
	5.73	6.48
	19.68	21.91
	0.72	12.73
	<b>548.10</b>	<b>628.11</b>

**25. Finance costs**

**Interest on**

Term loans  
 Others

**Other finance costs**

Loan processing fees  
 Bank guarantee charges

	31 March 2020	31 March 2019
	139,048.95	122,807.18
	33.92	1.38
	707.84	25.83
	170.13	113.57
	<b>139,960.84</b>	<b>122,947.96</b>

**26. Depreciation and amortisation expense**

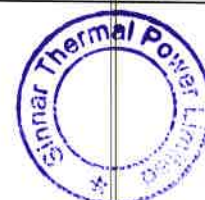
**Depreciation on**

Property, plant and equipment  
 Right of use

**Amortisation on**

Intangible assets

	31 March 2020	31 March 2019
	19,089.62	19,243.23
	102.24	-
	3.03	3.90
	<b>19,194.89</b>	<b>19,247.13</b>



**Sinnar Thermal Power Limited (formerly known as RattanIndia Nasik Power Limited)**  
**Significant accounting policies and notes to the financial statements for the year ended 31 March 2020**

**27. Other expenses**

Rent
Rates and taxes
Legal and professional charges
Communication
Operation & maintenance
Printing and stationery
Travelling and conveyance
Tender expenses
Insurance expenses
Running and maintenance
Vehicles
Office
Others
Security expenses
Payments to the auditors
Field hostel expenses
Loss on investment
Loss on foreign currency transactions and translation (net)
Miscellaneous expenses

	31 March 2020	31 March 2019
	111.86	70.35
	40.46	3,079.07
	221.15	249.31
	5.17	5.81
	300.08	441.81
	1.95	1.43
	23.63	32.29
	-	1.50
	256.23	94.92
	11.90	6.81
	3.35	3.84
	7.28	317.78
	384.34	406.73
	14.16	14.41
	27.54	18.20
	-	9.61
	849.59	-
	6.95	8.72
	<b>2,265.64</b>	<b>4,762.59</b>

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**Sinnar Thermal Power Limited (formerly known as RattanIndia Nasik Power Limited)**  
**Significant accounting policies and notes to the financial statements for the year ended 31 March 2020**  
**(All amount in Rs. Lakhs, unless otherwise stated)**

**28 Details of contingent liabilities of pending litigations and other matters:**

**A. Contingent Liabilities of pending litigations not provided for in respect of:**

1 During the year 2010-2011, the Company entered into a contract with Bharat Heavy Electrical Limited ("BHEL") for erection and supply of certain material for phase II of its power project at Nashik. Subsequent to this contract, BHEL supplied certain materials which were not warranted at that time and there were various communication made by the Company with BHEL to take off these materials from the site. Against this, BHEL initiated arbitration proceeding against the company, alleging the payment outstanding against the company in respect of the materials so supplied by them. The Hon'ble High Court also disposed off the petition upon the instruction to the parties that petition before Hon'ble High Court be treated as an application under Section 17 of the Arbitration and Conciliation Act, 1996 before the Arbitral Tribunal. Subsequent to this, BHEL filed the following applications on 14 April 2016 with Arbitral Tribunal:

1. Application under Section 17 of the Arbitration and Conciliation Act, 1996 seeking an interim prayer of release of bank guarantees.
2. Application seeking amendment of the claim petition.
3. Application under Section 31(6) of the Arbitration and Conciliation Act, 1996 seeking an interim award on the basis of admissions.

On BHEL's application for seeking interim award based on admissions, the tribunal has heard the arguments of both BHEL and the Company and the tribunal has passed an interim award of Rs 6,300 lakh against the company vide its order dated 27 July 2017. The matter is now at the stage of recording of cross-examination on the witnesses whose affidavits have been filed. Further dates of hearing is 18 September 2020.

A Petition has also been filed by BHEL praying the Hon'ble High Court to issue warrants of attachment/ or auction sale of immovable and movable assets of the company for realizing the amount payable/due as per the Interim award dated 27 July 2017. The matter is now listed for proceedings, the next date of hearing in the matter is 18 August 2020.

The Company filed an appeal against the said interim award on 16 October 2017 with the Hon'ble High Court and based on the legal appraisal of the case, Company is confident that the matter will be disposed off in their favour. The matter is now listed for proceedings, the next date of hearing in the matter is 18 August 2020.

2 The Company has entered into a contract with BHEL for supply of Boiler, Turbine, Generators (BTG) items for Nashik project. The material was supplied by BHEL from its unit in Tamil Nadu during the period 2010-2011. BHEL availed input tax credit against this sale which is rejected by the assessing officer of BHEL and consequently BHEL demanded the said tax amount of Rs. 1,100 lakhs from the Company. The Company rejected the claim by BHEL as the same was for input tax and not on the tax on invoice. Meanwhile during the year 2011-12 Company filed writ petition before the Hon'ble High Court of Madras during the year 2012 against the recovery of the VAT by BHEL. The matter was listed for hearing and the Hon'ble High Court has issued a notice and had ordered for status quo. The notice for the same has been accepted by the state counsel. The Hon'ble High Court had heard the matter and reserved the order. The pecuniary risk involved in the present case cannot be quantified. Further, based on legal appraisal, the management believes that no liability will not devolve on the company.

**B. Contingent Liabilities of Demand pending under the Income Tax Act, 1961 and other matters not provided for in respect of:**

I The Holding Company provided commitment bank guarantees of Rs. 5,590.68 lakhs (31 March 2019: Rs. 5,903.79 lakhs) issued to subsidiaries of Coal India Limited for issuance of Letter of Assurance for supply of coal for Company's Nashik Thermal Power Project, partly secured by way of pledge of fixed deposits of Rs. 341.47 lakhs (31 March 2019: Rs. 442.95 lakhs) of the Holding Company and partly secured by way of pledge of fixed deposits of Rs. 129.40 lakhs (31 March 2019: Rs. 152.44 lakhs) of the Company.

II In respect of the AY 2015-16 to AY 2017-18, company had filed appeal before ITAT for disallowance u/s 14A of the IT Act, which is pending as on March 31, 2020.

Future cash outflows in respect of the above, if any, is determinable only on receipt of judgement/ decision pending with the relevant authorities. the company does not expect the outcome of the matters stated above to have a material adverse impact on its financial condition, results of operations and cash flows.

The Company is involved in various legal proceedings and other regulatory matters relating to conduct of its business. In respect of the other claims, the company believes, these claims do not constitute material litigation matters and with its meritorious defenses, the ultimate disposition in these matters will not have material adverse effect on these Financial Statements.

**C. Other pending litigations as on 31 March 2020 are :**

1 Subsequent to the earlier bidding by Maharashtra State Electricity Distribution Company Limited (MSEDCL) for 2000 MW (+30% / -20%) wherein EMCO Energy Limited was L1, RattanIndia Power Limited was L2, Adani Power Maharashtra Limited (APML) was L3, the company was L4 and Wardha Power Company Limited (WPCL) was L5. MSEDCL required 1090 MW additional power and Government of Maharashtra vide letter dated 1 December 2011 gave approval to MSEDCL for procurement of such additional power and directed MSEDCL to obtain Maharashtra Electricity Regulatory Commission (MERC) approval for the same. MERC vide its order dated 27 December 2012 approved the levelised tariff of Rs. 3.42 per kwh for procurement of additional 1090 MW power by MSEDCL from the company and APML. WPCL filed an appeal before APTEL on 7 March 2013 against the aforesaid order of MERC on the ground that WPCL was not given an opportunity to participate in the process. APTEL vide its order dated 10 February 2015 partly allowed the appeal by WPCL and directed MSEDCL to approach WPCL and Company to seek new offer with respect to quantum to be offered while matching the tariff of Adani. the company filed a review petition against the order of APTEL dated 10 February 2015 for allowing the appeal by WPCL against the order of MERC which approved the procurement of additional quantum of 650 MW power from the Company. The review petition was dismissed by APTEL vide order dated 18 May 2015. The Company filed appeal before the Hon'ble Supreme Court against the orders dated 10 February 2015 as well as 18 May 2015. The Hon'ble Supreme Court on 24 September 2015 passed order of status quo. Subsequent to the balance sheet date, Hon'ble Supreme Court of India vide order dated 10 May 2018, dismissed the company's appeals. Pursuant to this order, APTEL's order dated 10 February 2015 comes into force and hence, the Company and WPCL will be making offers for power supply to MSEDCL in terms of the said order of APTEL.

Further, MREC order dated 19 January 2019 in Case No. 53 of 2012 whereby the Ld. MERC has allocated the quantum of 1090 MW of power on pro rata basis between Adani Power Maharashtra Limited, the Company and Sai Wardha Power Company Limited. MSEDCL issued the LOI (Letter of Intent) for purchases the 507 MW power from the Company. The Company arranging the Bank Guarantee for execution of PPAs (Power Purchase Agreement). Adani Power Maharashtra Limited has preferred an appeal before the Appellate Tribunal for Electricity against the LOI. The Hon'ble APTEL has admitted the appeal and pleadings are completed, reserved for order.





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- 2 The Company has developed railway line for the transportation of coal to its Nashik Power Plant of the company. For the development of railway line, Maharashtra Industrial Development Corporation ("MIDC") has acquired land for the Company in various villages of Nashik District. During the year 2012-13, Mr. Ratan Ranja Matale and Others ("petitioners") filed a Petition before the Hon'ble Bombay High Court against MIDC in which the Company is also a party. Hon'ble Bombay High Court vide its order dated 17 February 2015 dismissed the Writ Petition filed by the petitioners whose land was acquired for Railway Line development. Against the said order of High Court, the petitioners have filed a SLP in Hon'ble Supreme Court on 22 February 2016. The matter is currently listed for final disposal. The pecuniary risk involved in the present case cannot be quantified. Further, based on legal appraisal, the management believes that no liability will devolve on the company.
- 3 Arbitration proceedings has been initiated by Shapoorji Pallonji Co. Pvt. Ltd. against the Company alleging the non-payment of outstanding dues in respect of BTG and OBTG work done for construction of portions of Thermal Power Plant at Nashik. Statement of claim and statement of defense and counter claim has been filed by the parties. The next date of hearing in the matter is 14 September 2020 for framing of issues. The pecuniary risk in the matter is yet to be quantified.
- 4 A petition under section 9 of the Insolvency and Bankruptcy Code, 2016 before the National Company Law Tribunal filed by M/s Shapoorji Pallonji & Co. Pvt. Ltd. (being the operational creditor) to initiate a corporate insolvency resolution process against the Company (being Corporate Debtor) in view of the pending payments. Notice has been issued and pleadings to be completed. The next date in the matter is 17 August .2020.
- 5 Arbitration proceedings has been initiated by Gannon Dunkerley & Company Ltd against the Company alleging the non-payment of outstanding dues for construction of portions of Thermal Power Plant at Nashik. . The matter is listed for completion of pleadings. The next date of hearing in the matter is 05 February 2021. The pecuniary risk in the matter is yet to be quantified.
- 6 Arbitration proceedings has been initiated by Paharpur Cooling Towers Pvt. Ltd. against the Company alleging the non-payment of outstanding dues for construction of portions of Thermal Power Plant at Nashik. The matter is listed for completion of pleadings. The next date of hearing in the matter is 05 August 2020. The pecuniary risk in the matter is yet to be quantified.
- 29 Estimated amount of contracts remaining to be executed on account of capital and other commitments towards the project, not provided for: Rs. 145.33 lakhs (31 March 2019: Rs. 526.10 lakhs).

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30 RattanIndia Power Limited, the holding company has formulated ESOS/ ESOP schemes for applicable/ eligible employees. The schemes so formulated are also applicable to the eligible employees of its subsidiaries. The company has adopted the said schemes of RPL which are administered by a Compensation Committee constituted by the Board of Directors of the holding company. The company does not reimburse any expenses to the holding company on account of such grants.

**Stock option schemes of RattanIndia Power Limited (RPL), the holding company:**

**RPL ESOP - 2008**

On 10 January 2008 the erstwhile Indiabulls Power Services Limited ("IPSL"), had established the IPSL ESOS Plan, under which, IPSL was authorised to issue upto 20,000,000 equity settled options at an exercise price of Rs. 10 per option to eligible employees. Employees covered by the plan were granted an option to purchase equity shares of IPSL subject to the requirements of vesting. A compensation committee constituted by the Board of Directors of IPSL administered the plan. All these options were outstanding as at 1 April 2008.

Pursuant to a scheme of amalgamation under Sections 391 to 394 of the Companies Act, 1956, duly approved by the Hon'ble High Court of Delhi at New Delhi vide its order dated 1 September 2008, IPSL was amalgamated with Sophia Power Company Limited ("SPCL"). With effect from the appointed date the IPSL ESOS Plan was terminated and in lieu, in terms of Clause 14 (c) of the scheme of amalgamation, SPCL - IPSL Employees Stock Option Plan - 2008 ("SPCL - IPSL ESOP - 2008") was established in SPCL for the outstanding, unvested options for the benefit of the erstwhile IPSL option holders, on terms and conditions not less favourable than those provided in the erstwhile IPSL ESOS Plan and taking into account the share exchange ratio i.e. one equity share of SPCL of face value Rs. 10 each for every one equity share of IPSL of face value Rs. 10 each. All the option holders under the IPSL ESOS Plan on the Effective Date were granted options under the SPCL - IPSL ESOP - 2008 in lieu of their cancelled options under the IPSL ESOS Plan. The SPCL - IPSL ESOP - 2008 was treated as a continuation of the IPSL ESOS Plan and all such options were treated outstanding from their respective date of grant under the IPSL ESOS Plan. During the year ended 31 March 2015, pursuant to the name change of the holding company from Indiabulls Power Limited, to RattanIndia Power Limited, the name of the ESOP scheme SPCL - IPSL Employees' Stock Option Plan 2008 ("SPCL-IPSL ESOP 2008") was changed to RattanIndia Power Limited Employees' Stock Option Plan 2008 ("RPL ESOP 2008"). These options vest uniformly over a period of 10 years commencing one year after the date of grant.

**RPL ESOS 2009**

During the financial year ended 31 March 2010, RPL had established the "Indiabulls Power Limited. Employees' Stock Option Scheme 2009" ("IPL ESOS 2009"). RPL had issued 20,000,000 equity settled options at an exercise price of Rs. 14 per option under the IPL ESOS 2009 to eligible employees which gave them the right to subscribe to stock options representing an equal number of equity shares of face value Rs. 10 each of RPL. During the year ended 31 March 2016, pursuant to the name change of the holding company from Indiabulls Power Limited, to RattanIndia Power Limited, the name of the ESOS scheme Indiabulls Power Limited. Employees' Stock Option Scheme 2009 ("IPL ESOS 2009") was changed to RattanIndia Power Limited Employees' Stock Option Scheme 2009 ("RPL ESOS 2009"). These options vest uniformly over a period of 10 years commencing one year after the date of grant.

**RPL ESOS 2011**

During the Financial Year ended 31 March 2012, RPL has established the "Indiabulls Power Limited. Employee Stock Option Scheme -2011" ("IPL ESOS - 2011"). RPL had issued 50,000,000 equity settled options at an exercise price of Rs. 12 per option equivalent to the fair market value of the equity shares of RPL on the date of grant of option under the IPL ESOS -2011 to the eligible employees of the company which gave them the right to subscribe an equal number of equity shares of face value of Rs 10 each of RPL. During the year ended 31 March 2016, pursuant to the name change of the holding company from Indiabulls Power Limited, to RattanIndia Power Limited, the name of the ESOS scheme Indiabulls Power Limited. Employees' Stock Option Scheme 2011 ("IPL ESOS 2011") was changed to RattanIndia Power Limited Employees' Stock Option Scheme 2011 ("RPL ESOS 2011"). These options vest uniformly over a period of 10 years commencing one year after the date of grant.

The fair values of the options under the RPL ESOP - 2008, RPL ESOS 2009 and RPL ESOS 2011 using the binomial pricing model is Re. 1.00 per option under RPL ESOS 2009, as certified by an independent firm of Chartered Accountants. The fair value of the re-granted options under the RPL ESOP- 2008 plan is Rs. 1.58 per option and under RPL ESOS 2011 plan is Rs. 1.78 per option as certified by an independent firm of Chartered Accountants.

Particulars	RPL ESOP 2008 Grant on 10 January 2008	RPL ESOS 2009 Grant on 4 July 2009	RPL ESOS 2011 Grant on 7 October 2011
Exercise price (Rs. Per option)	Rs. 10.00	Rs. 14.00	Rs. 12.00
Expected volatility	0%	0%	30.48%
Expected forfeiture percentage on each vesting date	5%	5%	0%
Option life	1 through 10 years	1 through 10 years	1 through 10 years
Expected dividend yield	8%	6.50%	16.67% from 2014 onwards
Risk free rate of interest	8%	6.50%	8.12% to 8.72%

**Summary of options granted in respect of the RPL ESOP-2008 are as under:**

Particulars	31 March 2020		31 March 2019	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
Opening balance	10	895,800	10	895,800
Options surrendered/ lapsed during the year	10	595,200	10	-
Closing balance	10	300,600	10	895,800
Vested and exercisable options		300,600		895,800

Weighted average remaining contractual life of options outstanding at the end of period	31 March 2020	31 March 2019
		-



Summary of options granted in respect of the RPL ESOS 2009 are as under:

Particulars	31 March 2020		31 March 2019	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
Opening balance	14	292,800	14	391,600
Options surrendered/ lapsed during the year	14	48,800	14	98,800
Closing balance	14	244,000	14	292,800
Vested and exercisable options		244,000		244,000

Weighted average remaining contractual life of options outstanding at the end of period	31 March 2020	31 March 2019
	-	26 months

Summary of options granted in respect of the RPL ESOS 2011 are as under:

Particulars	31 March 2020		31 March 2019	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
Opening balance	12	200,000	12	369,000
Options surrendered/ lapsed during the year	12	25,000	12	169,000
Closing balance	12	175,000	12	200,000
Vested and exercisable options		125,000		125,000

Weighted average remaining contractual life of options outstanding at the end of period	31 March 2020	31 March 2019
	9 months	21 months

31 Employee benefits

**Defined contribution:**

Contributions are made to the government provident fund and family pension fund which cover all regular employees eligible under applicable Acts. Both the eligible employees and the company make pre-determined contributions to the provident fund. The contributions are normally based upon a proportion of the employee's salary. The company has recognized in the statement of profit and loss an amount of Rs. 3.68 lakhs (31 March 2019: Rs. 3.52 lakhs) towards employer's contribution towards provident fund.

**Defined benefits:**

Provision for unfunded gratuity payable to eligible employees on retirement/ separation is based upon an actuarial valuation as at the year ended 31 March 2020. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. The commitments are actuarially determined using the 'Projected Unit Credit Method' as at the year end. Gains/ losses on changes in actuarial assumptions are accounted for in the statement of profit and loss, as applicable and as identified by the management of the company.

**Other benefits:**

Provision for unfunded compensated absences payable to eligible employees on retirement/ separation is based upon an actuarial valuation as at the year ended 31 March 2020. Major drivers in actuarial assumptions, typically, are years of service and employee compensation. The commitments are actuarially determined using the 'Projected Unit Credit Method' as at the year end. Gains/ losses on changes in actuarial assumptions are accounted for in the statement of profit and loss, as applicable and as identified by the management of the company.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of gratuity and compensated absences and the amounts recognised in the financial statements for the year ended 31 March 2020:

Particulars	Gratuity		Compensated absences	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
<b>Liability recognised in the balance sheet</b>				
Present value of obligation as at the beginning of the year	141.18	170.40	116.61	137.91
Current service cost	9.75	9.60	2.76	3.69
Interest cost	9.93	12.31	8.43	10.44
Benefits paid	-	(29.78)	-	(6.49)
Actuarial (gains)/ losses	10.40	(21.35)	(13.50)	(28.94)
<b>Net liability in the balance sheet (as per actuarial valuation)</b>	<b>171.26</b>	<b>141.18</b>	<b>114.30</b>	<b>116.61</b>
<b>Expenses during the year</b>				
Current service cost	9.75	9.60	2.76	3.69
Interest cost	9.93	12.31	8.43	10.44
Actuarial (gains)/ losses	-	-	(13.50)	(28.94)
<b>Component of defined benefit cost charged to statement of profit and loss</b>	<b>19.68</b>	<b>21.91</b>	<b>(2.31)</b>	<b>(14.81)</b>
<b>Remeasurement of post-employment benefit obligations:</b>				
Actuarial losses/ (gains)	10.40	(21.35)	-	-
<b>Component of defined benefit cost recognised in other comprehensive income</b>	<b>10.40</b>	<b>(21.35)</b>		

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Actuarial (gains)/ losses on obligation

Particulars	Gratuity		Compensated absences	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Actuarial (gain)/ loss on arising from change in demographic assumption	0.01	-	0.01	-
Actuarial (gain)/ loss on arising from change in financial assumption	6.75	0.25	1.50	(0.28)
Actuarial (gain)/ loss on arising from change in experience adjustment	3.64	(21.60)	(15.01)	(28.66)

The actuarial valuation in respect of commitments and expenses relating to unfunded gratuity and compensated absences are based on the following assumptions which if changed, would affect the commitment's size, funding requirements and expenses:

a) Economic assumptions

Particulars	31 March 2020	31 March 2019
Discount rate	6.80%	7.65%
Expected rate of salary increase	5.00%	5.00%

b) Demographic assumptions

Particulars	31 March 2020	31 March 2019
Retirement Age	60 Years	60 Years
Mortality table	IALM (2012 - 14)	IALM (2006 - 08)
Ages	Withdrawal Rate (%)	Withdrawal Rate (%)
- Upto 30 Years	3	3
- From 31 to 44 Years	2	2
- Above 44 Years	1	1

The employer's best estimate of contributions expected to be paid during the annual period beginning after the balance sheet date, towards gratuity and compensated absences is Rs. 21.44 lakhs (31 March 2019: Rs. 20.46 lakhs) and Rs. 10.23 lakhs (31 March 2019: Rs. 3.95 lakhs) respectively.

c) Sensitivity analysis of defined benefit obligation

Particulars	31 March 2020	31 March 2019
<b>a) Impact of the change in discount rate</b>		
i) Impact due to increase of 0.50% (31 March 2019: 0.50%)	(4.81)	(4.43)
ii) Impact due to decrease of 0.50% (31 March 2019: 0.50%)	5.39	4.82
<b>b) Impact of the change in salary increase</b>		
i) Impact due to increase of 0.50% (31 March 2019: 0.50%)	5.41	4.92
ii) Impact due to decrease of 0.50% (31 March 2019: 0.50%)	(5.01)	(4.56)

Sensitivities due to mortality & withdrawals are not material & hence impact of change is not calculated. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

d) Maturity profile of defined benefit obligation

Particulars	31 March 2020	31 March 2019
Less than 1 year	58.70	35.20
Year 1 to 5	16.72	12.87
More than 5 years	210.13	205.17

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**32 Disclosures in respect of related parties :**

As per Ind AS-24 "Related Party Disclosure", the related parties where control exist or where significant influence exists and with whom transactions have taken place are as below:

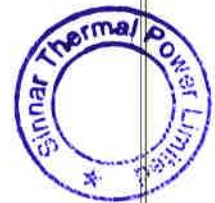
**Related parties where control exists:**

- I. Holding Company** RattanIndia Power Limited
- II. Company having substantial interest in Holding Company** RattanIndia Infrastructure Limited
- III. Subsidiary companies** Sinnar Power Transmission Company Limited  
Albina Water Supply and Waste Management Services Limited  
(Upto 28 February 2019)
- IV. Enterprise over which key management personnel have significant influence** IIC Limited  
(with whom transaction have been entered during the year/  
previous year) Priapus Developers Private Limited  
Tupelo Builders Private Limited  
Thaumas Infrastructure Limited

**V. Key Management Personnel**

Name	Designation
Rajiv Rattan	Chairman and Director of the Holding Company and Director of the Company
Himanshu Mathur	Whole Time Director of the Holding Company
Jayant Shrinivas Kawale	Managing Director of the Holding Company (upto 20 May 2019)
Aman Singh	CEO of the Holding Company (w.e.f. 20 May 2019)
Samir Tancja	CFO of the Company and the Holding Company (upto 16 October 2018)
Sandeep Mittal	CFO of the Company (w.e.f. 02 April 2019)
Gautam Wazir	Manager of the Company

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Sinnar Thermal Power Limited (formerly known as RattanIndia Nasik Power Limited)  
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VI. Summary of outstanding balances:

Nature of transactions	As at	Holding Company	Subsidiary companies	Enterprises over which key management personnel have significant influence	Total
Loans/ Inter corporate deposits taken	31 March 2020	6,834.02	-	584.00	7,418.02
	31 March 2019	5,098.37	-	458.50	5,556.87
Loans/ Inter corporate deposits given	31 March 2020	-	411.00	-	411.00
	31 March 2019	-	251.00	-	251.00
General and personnel cost receivable	31 March 2020	-	-	-	-
	31 March 2019	786.08	-	-	786.08
Payable for purchase of goods	31 March 2020	515.03	-	-	515.03
	31 March 2019	532.65	-	-	532.65
Retention money payable/ payables on purchase of fixed assets and other payables	31 March 2020	-	-	667.12	667.12
	31 March 2019	-	-	761.42	761.42
Bank guarantees	31 March 2020 31 March 2019	Refer note 28 (B) (1)	- -	- -	Refer note 28 (B) (1)
Pledge of shares	31 March 2020 31 March 2019	Refer note 16	- -	- -	Refer note 16

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Sinnar Thermal Power Limited (formerly known as RattanIndia Nasik Power Limited)  
 Significant accounting policies and notes to the financial statements for the year ended 31 March 2020  
 (All amount in Rs. Lakhs, unless otherwise stated)

VII. Summary of transactions with related parties:

Nature of transactions	Year ended	Holding Company	Subsidiary companies	Enterprises over which key management personnel have significant influence	Total
<b>Finance</b>					
Investment in equity shares	31 March 2020	-	-	-	-
	31 March 2019	-	0.52	-	0.52
Loan/ Inter corporate deposit taken	31 March 2020	2,521.75	-	150.50	2,672.25
	31 March 2019	310.50	-	458.50	769.00
Loan/ Inter corporate deposit repaid*	31 March 2020	786.10	-	-	786.10
	31 March 2019	77.50	-	-	77.50
Loan/ Inter corporate deposit given	31 March 2020	-	160.00	-	160.00
	31 March 2019	-	251.00	-	251.00
<b>Expenses/ Income</b>					
Reimbursement made of BG financing charges including General expenses	31 March 2020	271.75	-	0.21	271.96
	31 March 2019	0.02	-	26.70	26.72
Sale of goods	31 March 2020	-	-	-	-
	31 March 2019	227.74	-	-	227.74
<b>Assets/ liabilities</b>					
Bank guarantees	31 March 2020	Refer note 28 (B) (1)	-	-	Refer note 28 (B) (1)
	31 March 2019		-	-	
Pledge of shares	31 March 2020	Refer note 16	-	-	Refer note 16
	31 March 2019		-	-	

\* includes adjustment among inter heads.

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Sinnar Thermal Power Limited (formerly known as RattanIndia Nasik Power Limited)  
 Significant accounting policies and notes to the financial statements for the year ended 31 March 2020  
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VIII. Statement of material transactions for the year ended 31 March 2020

Name	Year ended	Loan/ Inter corporate deposit taken *	Loan/ Inter corporate deposit repaid*	Loan/ Inter corporate deposit given	Reimbursement made of BG financing charges including general expenses	Sale of goods	Investment in equity shares by infusion/ conversion of inter corporate deposits	Other payables
<b>Holding Company</b>								
RattanIndia Power Limited	31 March 2020	2,521.75	786.10	-	271.75	-	-	-
	31 March 2019	310.50	77.50	-	0.02	227.74	-	-
<b>Subsidiary companies</b>								
Albina Water Supply and Waste Management Services Limited	31 March 2020	-	-	-	-	-	-	-
	31 March 2019	-	-	-	-	-	0.52	-
Sinnar Power Transmission Company Limited	31 March 2020	-	-	160.00	-	-	-	-
	31 March 2019	-	-	251.00	-	-	-	-
<b>Enterprises over which Key management personnel have significant influence</b>								
IIC Limited	31 March 2020	-	-	-	0.21	-	-	-
	31 March 2019	-	-	-	26.70	-	-	-
Priapus Developers Private Limited	31 March 2020	-	-	-	-	-	-	-
	31 March 2019	19.50	-	-	-	-	-	-
Tupelo Builders Private Limited	31 March 2020	150.50	25.00	-	-	-	-	-
	31 March 2019	439.00	-	-	-	-	-	-

\* includes adjustment among inter heads.

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 Significant accounting policies and notes to the financial statements for the year ended 31 March 2020  
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IX. Statement of outstanding balances

Name	Year ended	Loans / Inter corporate deposits taken	Loans given / Inter corporate deposits given	Payable for purchase of goods	General and personnel cost receivable	Retention money payable / Payables on purchase of fixed assets and other payables
<b>Holding Company</b>						
RattanIndia Power Limited	31 March 2020	6,834.02	-	515.03	-	-
	31 March 2019	5,098.37	-	532.65	786.08	-
<b>Subsidiary Companies</b>						
Sinnar Power Transmission Company Limited	31 March 2020	-	411.00	-	-	-
	31 March 2019	-	251.00	-	-	-
<b>Enterprises over which Key management personnel have significant influence</b>						
Thaumas Infrastructure Limited	31 March 2020	-	-	-	-	667.12
	31 March 2019	-	-	-	-	761.42
Priapus Developers Private Limited	31 March 2020	19.50	-	-	-	-
	31 March 2019	19.50	-	-	-	-
Tupelo Builders Private Limited	31 March 2020	564.50	-	-	-	-
	31 March 2019	439.00	-	-	-	-

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**Sinnar Thermal Power Limited (formerly known as RattanIndia Nasik Power Limited)**  
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**33. Deferred tax assets/(liabilities) (net)**

**Tax effect of items constituting deferred tax liabilities**

	31 March 2020	31 March 2019
Property, plant and equipment	(139,423.20)	(162,433.85)
Employee benefit obligations	(71.87)	-
Retention money	-	(1,021.74)
Others	(0.05)	-
Borrowings	-	(1,226.15)
	<b>(139,495.12)</b>	<b>(164,681.74)</b>

**Tax effect of items constituting deferred tax assets**

Employee benefit obligations	-	90.08
Security Deposit	0.09	0.18
Borrowings	592.41	-
Unabsorbed depreciation and brought business losses (i)	138,902.62	164,591.48
	<b>139,495.12</b>	<b>164,681.74</b>
	<b>-</b>	<b>-</b>

(i) The company has restricted the recognition of deferred tax asset on unabsorbed depreciation and brought forward business losses to the extent of the corresponding deferred tax liability. The unabsorbed business losses of Rs. 657,066.22 lakhs are available for offset for maximum period of eight years from the incurrance of loss.

**Movement in deferred tax assets/ (liabilities)**

Particulars	As at 01 April 2019	Recognized in profit or loss	Recognized in other comprehensive income	As at 31 March 2020
<b>Tax effect of items constituting deferred tax liabilities</b>				
Property, plant and equipment	(162,433.85)	23,010.65	-	(139,423.20)
Retention money	(1,021.74)	1,614.15	-	592.41
Borrowings	(1,226.15)	1,226.15	-	-
	<b>(164,681.74)</b>	<b>25,850.95</b>	<b>-</b>	<b>(138,830.79)</b>
<b>Tax effect of items constituting deferred tax assets</b>				
Security deposits	0.18	(0.09)	-	0.09
Employee benefit obligations	90.08	(161.95)	-	(71.87)
Others	-	(0.05)	-	(0.05)
Unabsorbed depreciation and brought business losses	164,591.48	(25,688.86)	-	138,902.62
	<b>164,681.74</b>	<b>(25,850.95)</b>	<b>-</b>	<b>138,830.79</b>
<b>Deferred tax assets/ (liabilities) (net)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Particulars	As at 01 April 2018	Recognized in profit or loss	Recognized in other comprehensive income	As at 31 March 2019
<b>Tax effect of items constituting deferred tax liabilities</b>				
Property, plant and equipment	(179,818.49)	17,384.64	-	(162,433.85)
Retention money	(1,493.74)	472.00	-	(1,021.74)
Borrowings	(1,278.71)	52.56	-	(1,226.15)
	<b>(182,590.94)</b>	<b>17,909.20</b>	<b>-</b>	<b>(164,681.74)</b>
<b>Tax effect of items constituting deferred tax assets</b>				
Employee benefit obligations	106.70	(16.62)	-	90.08
Security deposits	0.24	(0.06)	-	0.18
Unabsorbed depreciation and brought business losses	182,484.00	(17,892.52)	-	164,591.48
	<b>182,590.94</b>	<b>(17,909.20)</b>	<b>-</b>	<b>164,681.74</b>
<b>Deferred tax assets/ (liabilities) (net)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



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**34 Financial instruments**

**(i) Fair values hierarchy**

Financial assets and financial liabilities are measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** Quoted prices (unadjusted) in active markets for financial instruments.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

**(ii) Financial assets and liabilities measured at fair value - recurring fair value measurements**

Particulars	Level	31 March 2020	31 March 2019
<b>Financial assets</b>			
<b>Investments at FVTPL</b>			
Investments in mutual funds	Level 1	166.07	43.58
<b>Total financial assets</b>		<b>166.07</b>	<b>43.58</b>

**(iii) Fair value of financial assets and liabilities are measured at amortised cost**

The carrying amount of financial assets and financial liabilities are measured at amortised cost in the financial statements are a reasonable approximation of their fair values (Refer note 35(i)).

**(iv) Valuation process and technique used to determine fair value**

Specific valuation techniques i.e. Net asset value (NAV) as obtained from the asset manager are used to value financial instruments like mutual funds.

**35 Financial risk management**

**(i) Financial instruments by category**

Particulars	31 March 2020			31 March 2019		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments in:						
Mutual Funds	166.07	-	-	43.58	-	-
Loans:						
Security deposits	-	-	496.16	-	-	524.74
Loans	-	-	1.27	-	-	1.72
Inter corporate deposits	-	-	411.00	-	-	251.00
Cash and cash equivalents	-	-	665.29	-	-	68.25
Other bank balances	-	-	558.95	-	-	775.16
Other financial asset	-	-	23.52	-	-	809.59
<b>Total</b>	<b>166.07</b>	<b>-</b>	<b>2,156.19</b>	<b>43.58</b>	<b>-</b>	<b>2,430.46</b>
<b>Financial liabilities</b>						
Borrowings	-	-	716,913.09	-	-	714,405.37
Trade payable	-	-	515.03	-	-	532.65
Other financial liabilities	-	-	400,251.00	-	-	259,963.84
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,117,679.12</b>	<b>-</b>	<b>-</b>	<b>974,901.86</b>

Investment in subsidiaries are measured at cost as per Ind AS 27, 'Separate financial statements' and hence, not presented here.

**(ii) Risk Management**

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities by category are summarised in refer note 35(ii). The main types of risks are market risk, credit risk and liquidity risk. The most significant financial risks to which the Company is exposed are described below:

The Company's risk management is carried out by a central finance department of the Company under direction of the Board of Directors. The Board of Directors provides principles for overall risk management, and covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.



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**A) Credit risk**

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. Credit risk arises from cash and cash equivalents, trade receivables and deposits with banks and financial institutions. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at 31 March, as summarised below:

Particulars	31 March 2020	31 March 2019
Loans (i)	908.43	777.46
Cash and cash equivalents (ii)	665.29	68.25
Other bank balances (ii)	558.95	775.16
Other financial assets (i)	23.52	809.59

The Company continuously monitors defaults of customers and other counterparties, and incorporates this information into its credit risk controls. The Company's policy is to deal only with creditworthy counterparties.

The company's management considers that all of the above financial assets are not impaired and/ or past due for each of the above assets reporting dates under review are of good credit quality.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due. A default on a financial asset is when the counterparty fails to make contractual payments when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

(i) The Company's management considers financial assets, which are 30 days past due, and analyse facts and circumstances surrounding each such defaults separately. If the facts indicate a probability of loss of value, the assets then expected cash flows are plotted in an present value based impairment model to determine the amount of impairment loss. Amounts are written off only in the following circumstances:

- no probable legal recourse is available for recovery,
- the counterparty is bankrupt,
- the cost of recovery is more than the amount or
- after all possible efforts the Company is unable to recover amounts after a period of 3 years.

(ii) The credit risk for cash and cash equivalents and other bank balances is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

**B) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

**Maturities of financial liabilities**

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

31 March 2020	Less than 1 year	1-5 year	More than 5 years	Total
<b>Non-derivatives</b>				
Borrowings	582,940.43	464,605.35	409,950.70	1,457,496.48
Trade payables	515.03	-	-	515.03
Other financial liabilities	37,520.18	5,516.41	-	43,036.59
<b>Total</b>	<b>620,975.64</b>	<b>470,121.76</b>	<b>409,950.70</b>	<b>1,501,048.10</b>

31 March 2019	Less than 1 year	1-5 year	More than 5 years	Total
<b>Non-derivatives</b>				
Borrowings	437,919.72	497,600.51	510,872.70	1,446,392.92
Trade payables	532.65	-	-	532.65
Other financial liabilities	35,867.55	5,284.27	-	41,151.82
<b>Total</b>	<b>474,319.92</b>	<b>502,884.78</b>	<b>510,872.70</b>	<b>1,488,077.39</b>



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**C) Market Risk**

**a) Interest rate risk**

**Liabilities/assets**

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31 March 2020, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS-107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

**Interest rate risk exposure**

Below is the overall exposure of the Company to interest rate risk:

Particulars	31 March 2020	31 March 2019
<b>Variable rate:</b>		
Borrowing	709,495.07	708,848.50
Loan assets	-	-
<b>Total variable rate exposure</b>	<b>709,495.07</b>	<b>708,848.50</b>
<b>Fixed rate:</b>		
Borrowing	7,418.02	5,556.87
Loans and deposits	1,467.38	1,552.62
<b>Total fixed rate exposure</b>	<b>5,950.64</b>	<b>4,004.25</b>

**Sensitivity**

Below is the sensitivity of profit or loss and equity due to changes in interest rates, assuming no change in other variables:

Particulars	31 March 2020	31 March 2019
<b>Interest sensitivity</b>		
Interest rates – increase by 100 basis points (31 March 2019: 100 basis points)	(7,094.95)	(7,088.49)
Interest rates – decrease by 100 basis points (31 March 2019: 100 basis points)	7,094.95	7,088.49

**36 Capital management**

The Company's capital management objectives are

- (i) To ensure the Company's ability to continue as a going concern
- (ii) To provide an adequate return to shareholders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt, the Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The amounts managed as capital by the Company for the reporting periods under review are summarised as follows :-

Particulars	31 March 2020	31 March 2019
Long-term borrowings	520,927.18	577,101.82
Current maturities of long-term borrowings	188,567.89	131,746.68
Short-term borrowings	7,418.02	5,556.87
Interest accrued on borrowings	357,214.41	218,812.02
<b>Total borrowings</b>	<b>1,074,127.50</b>	<b>933,217.39</b>
Less:		
Cash and cash equivalents	665.29	68.25
Other bank balances	558.95	775.16
<b>Net debts</b>	<b>1,072,903.26</b>	<b>932,373.98</b>
<b>Total equity <sup>(i)</sup></b>	<b>(238,841.94)</b>	<b>(75,198.52)</b>
<b>Net debt to equity ratio</b>	<b>-449.21%</b>	<b>-1239.88%</b>

(i) Equity includes capital and all reserves of the Company that are managed as capital.

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37 Details of assets pledged

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Current</b>		
Inventories	957.06	938.46
<b>Non-current</b>		
Property, plant and equipment	712,281.94	739,755.65
Right of use	8,281.85	-
Capital work-in-progress	146,122.75	146,245.70
Intangible assets	2.58	5.61

38 Effective tax reconciliation

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Loss before tax	(163,633.04)	(181,302.91)
Domestic tax rate	25.17%	34.94%
<b>Expected tax expense [A]</b>	<b>(41,183.16)</b>	<b>(63,354.49)</b>
Adjustment for non-deductible expenses	1.65	0.45
Adjustment for exempt income	-	(3.21)
Deferred tax assets not recognised	41,181.51	63,357.25
Tax credit (minimum alternative tax)	-	-
<b>Total adjustments [B]</b>	<b>41,183.16</b>	<b>63,354.49</b>
<b>Actual tax expense [C=A+B]</b>	<b>-</b>	<b>-</b>
<b>Tax expense comprises:</b>		
Current tax expense	-	-
Deferred tax credit	-	-
<b>Tax expense recognized in statement of profit and loss [D]</b>	<b>-</b>	<b>-</b>

39 Loss per equity share (EPS):

The basic earnings per equity share is computed by dividing the net profit/ loss after tax attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing the profit/ loss after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per equity share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per equity share from continuing ordinary operations or increase the net loss per equity share. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fairvalue (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits/ reverse share splits, bonus shares and share warrants and the potential dilutive effect of Employee Stock Options Plans, as appropriate.

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Loss for the year (Rs.)	(163,633.04)	(181,302.91)
Opening number of shares	31,977,246	31,977,246
Weighted average number of shares used in computing basic EPS	31,977,246	31,977,246
Closing number of shares	31,977,246	31,977,246
Weighted average number of shares used in computing diluted EPS	31,977,246	31,977,246
Face value per equity share – (Rs.)	10.00	10.00
Basic earnings/ (loss) per equity share – (Rs.)	(511.72)	(566.97)
Diluted earnings/ (loss) per equity share – (Rs.)	(511.72)	(566.97)



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40 Leases disclosure as lessee

The following is a reconciliation of the financial statement line items from Ind AS 17 to Ind AS 116 as at 1 April 2019

Particulars	Carrying amount as at March 31, 2019	Reclassification	Remeasurement	Carrying amount as at April 1 2019
Right of Use	8,384.09	-	-	8,384.09
Lease liability	107.08	-	-	107.08
<b>Total</b>	<b>8,277.01</b>	<b>-</b>	<b>-</b>	<b>8,277.01</b>

The following is a reconciliation of total operating lease commitments at 31 March 2019 (as disclosed in the financial statements to 31 March 2019) to the lease liabilities recognised at 1 April 2019:

Particulars	Amount
Total operating lease commitments disclosed at 31 March 2019	-
Recognition exemptions:	-
Leases of low value assets	-
Leases with remaining lease term of less than 12 months	-
Variable lease payments not recognised	-
Other minor adjustments relating to commitment disclosures	-
Operating lease liabilities before discounting	1,155.70
Discounted using incremental borrowing rate	12%
Operating lease liabilities	107.08
Reasonably certain extension options	-
Finance lease obligations	-
<b>Total lease liabilities recognised under Ind AS 116 at 1 April 2019</b>	<b>107.08</b>

The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised on balance sheet:

Right of use assets	No of right-of use assets leased	Range of remaining term	Average remaining lease term	No of leases with extension options	No of leases with purchase options	No of leases with variable payments linked to an index	No of leases with termination options
Land	4	986 Months	986 Months	4	0	0	0

Additional information on the right-of-use assets by class of assets is as follows:

Right-of use assets	Carrying amount as on April 1, 2019	Additions	Depreciation	Impairment	Carrying amount as on March 31, 2020
Land	8,384.09	-	102.24	-	8,281.85
<b>Total</b>	<b>8,384.09</b>	<b>-</b>	<b>102.24</b>	<b>-</b>	<b>8,281.85</b>

Note: The right-of-use assets are included in the same line item as where the corresponding underlying assets would be presented if they were owned.

At 31 March 2020, the Company had not committed to leases which had not commenced.

The Company has elected not to recognise a lease liability for short term leases (leases of expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

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41 The Company is engaged in power generation and the setting up of power projects for generating, transmitting and supplying all forms of electrical energy and to undertake allied/ incidental activities in connection therewith. Considering the nature of the Company's business and operations, and the information reviewed by the Chief Operating Decision Maker (CODM) to allocate resources and assess performance, the Company has one reportable business segment i.e. "Power Generation and Allied Activities" as per the requirements of Ind AS 108 – 'Operating Segments'.

42 There were no dues required to be credited to the investor education and protection fund as at 31 March 2019 and 31 March 2020.

43 The Company has incurred a net loss of Rs. 163,643.44 lakhs during the current year, and presently there are no operations in the Company. The Company has also made defaults in repayment of dues (including interest) to the lenders. Subsequent to defaults in debt repayments, the Company started pursuing restructuring of debt with the lender banks under Strategic Debt Restructuring Scheme ("SDR") as per the Reserve Bank of India (RBI) guidelines for resolution of issues faced by the Company. However, subsequent to RBI's notification dated 12 February 2018, all debt restructuring schemes were withdrawn with immediate effect which impacted progress made by the Company under SDR. The Hon'ble Supreme Court vide its order dated 2 April 2019 has quashed RBI's notification dated 12 February 2018. The Company is in active discussion with lender banks for successful resolution of debt. In the meanwhile, PFC (Lead lender) filed an application under IBC before NCLT Delhi on 10 September 2018 which was subsequently withdrawn on 14 May 2019.

On 30 April 2019, MSEDCL has issued letter of intent to the Company for execution of PPA of 507 MW (net capacity). The Company was required to furnish Contract Performance Guarantee (CPG) in 3 months. Lenders of the Company have also shown interest in starting operations and in granting required working capital and non-fund base facilities so as to implement aforementioned PPA with MSEDCL. Considering the effect of COVID 19, the Company was not able to furnish the requested CPG, and have requested additional time till 30 September 2020 to furnish CPG with MSEDCL. Also, refer note 46 for possible effect of COVID 19.

Conditions explained above, indicate existence of uncertainties that may cast significant doubt on the Company's ability to continue as a going concern due to which the Company may not be able to realise its assets and discharge its liabilities in the normal course of business. However, on expectation of resolution of debt with lenders within the available time frame and implementation of PPA soon, these financial statements have been prepared on a going concern basis.

44 The construction activity at company's 1350 MW power plant (Phase II) is currently suspended. The management believes that the suspension is not likely to have an impact on the overall viability of the plant as the company has all necessary environmental clearances and infrastructure like land, railway and water connection available with company which are difficult to secure in the current environment. Further the cost of setting up this plant is significantly lower than setting up a new plant (around 70-75%) due to common facilities available with the company.

With aforesaid factors along with increasing power consumption and related demand in market, management is confident that the project is fully viable and hopeful of reviving the project at appropriate time. Hence, no adjustment is required to the carrying amount of capital work in progress of Rs. 43,773.00 lakhs.

45 The exceptional items in previous year primarily include, as per the re-assessment done by the management, an amount of Rs 31,726.60 lakhs as provided for on account of provision for impairment of amount receivable from certain other receivable which are uncertain on their recoverability. Such impairment loss were not in ordinary course of business of the Company and hence considered as exceptional items in nature.

46 The SARS-CoV-2 virus (COVID-19 pandemic) continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian Financial Markets and a significant decrease in the economic activities. On 11 March 2020, the COVID-19 outbreaks declared as a global pandemic by the World Health Organization subsequent to which, on 24 March 2020 the Indian Government had announced a strict 21 days lockdown which was further extended by 19 days up till 3 May 2020. Subsequently, the Government has announced extension of lockdown by two weeks till 17 May 2020 and further by two weeks till 31 May 2020 and has provided guidelines for restrictions and relaxations in different zones across India subsequent to this period.

Due to outbreak of COVID-19 globally and in India, the Company made initial assessment of likely adverse impact on economic environment in general and financial risks on account of COVID-19. The Company believes that there is no impact on its ability to meeting its liabilities as and when they fall due other than as explained in note 44. However, the impact assessment of COVID-19 is a continuing process given its nature and duration. The Company will continue to monitor any material changes to future economic conditions.

**47 Reconciliation of liabilities arising from financing activities**

	Long-term borrowings	Short-term borrowings	Total
<b>As at 1 April 2018</b>	<b>707,618.86</b>	<b>4,865.37</b>	<b>712,484.23</b>
<b>Cash flows:</b>			
Proceeds from borrowings	633.00	691.50	1,324.50
Repayment of borrowings	-	-	-
<b>Non-cash:</b>			
ICD converted into share capital			
Impact of borrowings measured at amortised cost	596.64	-	596.64
<b>As at 31 March 2019</b>	<b>708,848.50</b>	<b>5,556.87</b>	<b>714,405.37</b>
<b>Cash flows:</b>			
Proceeds from borrowings	-	2,672.25	2,672.25
Repayment of borrowings	-	(25.00)	(25.00)
<b>Non-cash:</b>			
ICD converted into share capital	-	-	-
On account of adjustments with	-	(786.10)	(786.10)
Impact of borrowings measured at amortised cost	646.57	-	646.57
<b>As at 31 March 2020</b>	<b>709,495.07</b>	<b>7,418.02</b>	<b>716,913.09</b>





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48 Micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information available with the Company and the required disclosures are given below:

Particulars	As at 31 March 2020	As at 31 March 2019
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	Nil	Nil
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	Nil	Nil
(iii) The amount of interest paid by the buyer in terms of section 16 of The Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day.	Nil	Nil
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under The Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year.	Nil	Nil
(vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of The Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

The above information and that given in Note 20 - 'Trade Payables' regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

49 Pursuant to the enactment of the Taxation Law (Amendment) Act 2019 ("Act") which is effective from 01 April 2019 domestic company have the option to pay the income tax at 22% plus surcharges and cess ("new tax regime") subject to certain condition. Company has decided to opt for new tax regime and file its return under section 115BAA. Accordingly, the tax liabilities for FY 2019-20 are computed based on provision of section 115BAA.

**Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm Registration No.: 001076N/ N500013

**For and on behalf of the Board of Directors**

*Rohit Arora*  
**Rohit Arora**  
Partner  
Membership No. : 504774

*Sanjeev Chhikara*  
**Sanjeev Chhikara**  
Director  
DIN: 06966429

*Jeevagan Narayana Swami Nadar*  
**Jeevagan Narayana Swami Nadar**  
Director  
DIN: 02393291

*Sandeep Mittal*  
**Sandeep Mittal**  
Chief Financial Officer

*Rahul Mutreja*  
**Rahul Mutreja**  
Company Secretary

Place: New Delhi  
Date: 26 June 2020

